GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2699
ANSWERED ON:31.08.2007
CEILING ON INVESTMENT TO PSUs
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Will the Minister of POWER be pleased to state:

(a) whether the Power Ministry has moved a proposal to do away with the existing Rs.1000 crore investment ceiling applicable to power sector Public Sector Units (PSUs) for forming joint ventures;

(b) if so, the details thereof; and

(c) the details of the power sector PSUs that will be benefited therefrom?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (c) : As per the existing delegation of powers applicable to Navaratna Companies including NTPC Ltd., the ceiling on equity investment to establish financial joint ventures and wholly owned subsidiaries in India or aboard shall be 15% of the net worth of the Public Sector Enterprise (PSE) in one project limited to Rs.1000 Crore and the overall ceiling on such investment in all projects put together shall be 30% of the net worth of the PSE. NTPC Ltd. had approached Ministry of Power for waiver of ceiling of Rs.1000 Crore for equity investment by NTPC Ltd. to establish financial joint venture for the purpose of participating in the bidding of Ultra Mega Projects being established at the initiative of Ministry of Power. Government had approved the proposal of waiver of ceiling of Rs.1000 Crores for equity investments by NTPC Ltd. to establish financial joint ventures and wholly owned subsidiaries in India or abroad for the purpose of participating in the bidding of ultra mega projects. However, the ceiling of 15% of the net worth of NTPC in one project and the overall ceiling of 30% of the net worth of the NTPC Ltd. in all such projects of NTPC Ltd. put together shall remain.